

April 6, 1988

LB 301, 301A, 375, 463, 913, 942, 1079
1079A, 1157

SPEAKER BARRETT: Thank you. While the Legislature is in session and capable of transacting business, I propose to sign and I do sign LB 463, LB 913, LB 942, LB 1079, LB 1079A, LB 1157, LB 301, and LB 301A. Discussion on the motion to return to Select File. Senator Vard Johnson, followed by Senator Schmit.

SENATOR V. JOHNSON: Mr. Speaker, members of the Legislature, the reason that I support interstate banking is pretty simple. Five years ago, Congress began the process of deregulating financial institutions. Up until congressional activities five years ago, states had a lot of say-so about the lives of financial institutions within their boundaries. However, as a process of deregulation, we found more and more financial institutions crossing state lines quite effectively in securing deposits and in making loan transactions, and the upshot was that our banking community was slowly inexorably left in the dust of our savings and loans and of our commercial...of our major retail ventures, like Sears Roebuck, as well as investment banking houses that had authority to cross state lines. And it became painfully clear to me inside that I needed to change my own outlook about the protectionist attitude that I had regarding state lines and the banking world, because our Nebraska banks were now compelled to compete in an international capital market where boundaries knew no...where boundaries did not provide the restrictions that used to be there. So I literally spent some time visiting with people in the field to see what the better course of conduct would be, to continue to maintain a boundary protectionist attitude, or instead to work to enhance capital structure of Nebraska banks through interstate banking. And I concluded about two years ago, this is not a new conclusion, it's an older conclusion, that interstate banking was not improper for me to support, and so I've been a supporter of interstate banking. Now Senator Wesely came to me a month ago, absolutely rightfully so, with the discovery that other states that have looked to interstate banking have set some terms and conditions on the entry into those states of bank holding companies that want to do an interstate business, and you and I took some of the best of Senator Wesely's thoughts and we adopted those thoughts as an amendment to LB 375. But Senator Wesely wanted to take his thoughts a step further and that is he wanted us to establish some conditions on interstate bank holding companies for their continuing to do business in Nebraska year, by year, by year, by